

FISCAL NOTE

SB 1607 - HB 1739

January 7, 2004

SUMMARY OF BILL: Changes the way state support for retired state employees participating in Medicare Supplement coverage is structured. Currently, the state pays a fixed dollar amount based upon the retiree's length of service. Under this bill, the state would pay a variable percentage based upon the retiree's length of service. Retirees with less than 20 years of service currently receive a \$20 contribution toward the monthly premium. Under this bill, they would receive a contribution of 60% of the premium. Retirees with between 20 and 30 years of service currently receive a \$30 contribution toward the monthly premium, under this bill, they would receive a contribution of 70% of the premium. Retirees with more than 30 years of service currently receive a \$40 contribution toward the monthly premium. Under this bill, they would receive a contribution of 80% of the premium.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$18,250,000

Estimate assumes:

- 18,370 individuals currently receiving contributions would be affected by this bill.
- Current contributions by the state totaling \$7,546,320
- State contributions under this bill exceeding \$25,800,000
- Retirees currently covered in an existing plan sponsored by a local education agency are included.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director